

Members

Rep. Jerry Denbo, Chairperson
Rep. Win Moses
Sen. Luke Kenley
Sen. Teresa Lubbers
Sen. Lindel Hume
Sen. Richard Young
Rep. Michael Murphy
Rep. John Ulmer



ADMINISTRATIVE RULES OVERSIGHT COMMITTEE

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MEETING MINUTES¹

Meeting Date: October 26, 1999
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., Room 156-D
Meeting City: Indianapolis, Indiana
Meeting Number: 4

Members Present: Rep. Jerry Denbo, Chairperson; Rep. Win Moses; Sen. Lindel Hume; Sen. Richard Young.

Members Absent: Sen. Luke Kenley; Sen. Teresa Lubbers; Rep. Michael Murphy; Rep. John Ulmer.

The Chairman convened the meeting at 10:45 a.m. The Staff Counsel distributed a copy of the minutes of the Committee's October 20 meeting and a draft copy of the Final Report authorized by the Committee in its October 6 meeting. (The handouts are available from the Legislative Information Center as 'Exhibit 1' and 'Exhibit 2'.)

The Chairman announced that a quorum was not present to conduct official business. However, he would take testimony from the public concerning the proposed real property tax assessment manual being promulgated by the State Board of Tax Commissioners.

Each legislator present at the meeting made an opening statement.

Tim Brooks, Chairman of the State Board of Tax Commissioners, distributed a time line

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

comparing the "normal" elapse of time between:

- (1) the promulgation of an assessment manual and the completion of the real estate assessment process; and
- (2) the current schedule on which the Tax Board is operating.

(The handout is available from the Legislative Information Center as 'Exhibit 3'.) He noted that the process is more compressed than in prior assessment cycles. He noted that a one year extension would be desirable to fully train assessors and certify software packages for the assessment. A longer delay will be needed if the General Assembly wants changes in the proposed assessment manual. The State Board is taking no position on the length of delay needed to complete the assessment. Mr. Brooks indicated that the State Board will hold a public hearing on the manual on November 9. He welcomes constructive criticism.

Eric Miller, representing Advance America, submitted a copy of his remarks to the Committee. (The handout is available from the Legislative Information Center as 'Exhibit 4'.) He indicated that he had not read the proposed assessment manual. However, he testified that the assessment manual would hurt families and ultimately churches by reducing the amount of disposable income available to families. He suggested that the State Board needs more time to do the job right.

Judy Sharp, President of the County Assessors Association, distributed a copy of a newspaper editorial suggesting that the General Assembly postpone the current assessment and look at eliminating property taxes as a source of revenue. (The editorial is available from the Legislative Information Center as 'Exhibit 5'.) Ms. Sharp also distributed a copy of a petition that was signed by assessing officials and proposes an extension of the current reassessment cycle by one year. (The petition is available from the Legislative Information Center as 'Exhibit 6'.)

She indicated that assessors need the tools, training and time to do an assessment correctly. She proposed a delay in the reassessment cycle.

She suggested that the proposed assessment manual is not a good manual for the mass appraisal style of assessment which Indiana uses to value property for property tax purposes.

Ms. Sharp noted that no one knows what impact the new assessment will have on property tax bills. The uncertainty of the situation is making people very nervous. Some people are concerned that the new assessment manual will reduce family disposable income to the point that their contributions to not for profit corporations will be reduced. They fear that higher assessments will increase public support for taxing not for profit corporation property. She also predicted that the new assessment approach will increase the number of people appealing their assessments.

She proposed that the General Assembly enact legislation to guide the development of a revised assessment manual.

Gail Simms, Jefferson County Assessor, said that bids for assessment contracts demonstrate that the costs of the proposed assessment approach are much higher than costs associated with implementing the prior manual. She mentioned that she is concerned about the safety of assessors as property owners become aware of and potentially angry at the higher assessments that will result from the proposed assessment manual. She indicated that the public and the State Board do not have sufficient time to

resolve outstanding issues. She supported an extension in the assessment cycle.

Tom Broderick, Madison County Assessor, complained that the State Board of Tax Commissioners is requiring assessors to buy the assessment manual. In the past, it was provided without charge. He indicated that he preferred the assessment approach taken by the old assessment manual.

David Wesolowski, Chairman of the Legislative Committee of the County Assessors Association, said that the proposed manual is complicated. He indicated that he and other assessors need additional time and training to learn how to use it.

April Collins, Lawrence County Assessor, said that the assessors are likely to be inundated with appeals. They may have difficulty in scheduling hearings on all appeals within 90 days of filing, as required by law.

Donna Muerer, Green County Assessor, suggested that the proposed manual will cause problems.

Chairman Denbo summarized the testimony. He concluded that implementation of the proposed assessment manual will cause severe problems. He said that he could find nothing wrong with the proposed manual per se. However, the way it is being implemented is causing him concern. It is unfair, for example, to ask assessors to implement the manual without adequate time, tools, and training. He indicated that he supported a statutory delay in the assessment cycle.

The Chairman adjourned the meeting at 12:45 p.m.